

Message Text

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ORIGIN AF-06

INFO OCT-01 ISO-00 EUR-12 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

PA-01 PRS-01 XMB-02 /101 R

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FM SECSTATE WASHDC

TO AMEMBASSY LUSAKA

INFO AMEMBASSY KINSHASA

AMEMBASSY LAGOS

C O N F I D E N T I A L STATE 035410

E.O. 11652: GDS

TAGS:ENRG, US, AO, NI

SUBJECT: GULF OIL

REF: LUSAKA 297 (NOTAL)

1. HERewith DETAILS ON GULF/NIGERIA/MPLA DISCUSSIONS.

2. GULF OIL SHUT DOWN ITS PUMPING FACILITY IN CABINDA
AND EVACUATED ALL PERSONNEL IN DECEMBER 1975. THE
ANNOUNCED REASON WAS THE SECURITY SITUATION:

TAXES AND ROYALTIES AMOUNTING TO 125,000,000 US DOLS. WERE
BECOMING DUE IN DECEMBER AND JANUARY AND GULF BELIEVED
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THAT IF IT DID NOT PAY THE MONIES DIRECTLY TO THE MPLA,

ITS PERSONNEL MIGHT BE HELD FOR RANSOM. THE PRESIDENT OF GULF TOLD AMBASSADOR MULCAHY IN EARLY DECEMBER THAT GULF HAD ONLY TWO OPTIONS: PAY AND CONTINUE TO OPERATE OR SUSPEND OPERATIONS AND EVACUATE PERSONNEL. HE DID NOT BELIEVE THAT PLACING THE PAYMENTS IN AN ESCROW ACCOUNT WOULD MOLLIFY THE MPLA.

3. SINCE THAT TIME, THE MPLA HAS ASKED THE NIGERIAN GOVERNMENT TO ACT AS INTERLOCUTOR. THE THREE PARTIES, GULF, AN MPLA REPRESENTATIVE AND A NIGERIAN DELEGATION MET IN LAGOS BETWEEN JANUARY 19 AND 21 TO BEGIN DIS-

CUSSIONS. TALKS PROCEEDED AMICABLY, WITH NO THREATS OR BULLYING FROM EITHER THE NIGERIANS OR THE MPLA REPRESENTATIVE. LITTLE PROGRESS WAS MADE TOWARD A SOLUTION, BUT BOTH SIDES RECOGNIZED THE PROBLEMS OF THE OTHER. GULF'S REPRESENTATIVES SAID THEY WOULD PLACE THE ISSUES OF PAYMENT, OPERATIONS AND A NEW AGREEMENT BEFORE A REGULARLY SCHEDULED GULF BOARD MEETING ON FEBRUARY 10.

4. THE BOARD MET ON THE APPOINTED DATE, EXPRESSED SATISFACTION WITH PROGRESS AND GAVE GULF REPRESENTATIVES COMPLETE FLEXIBILITY TO PROCEED AS THEY SAW FIT. AS OF FEBRUARY 12, GULF WAS PREPARING A MESSAGE TO NIGERIAN CHIEF OF STAFF OBASANJO STATING THE COMPANY IS PREPARED FOR ANOTHER ROUND OF TALKS.

5. MEANWHILE, IN EARLY FEBRUARY, FMG DELEGATION WENT TO LUANDA AND UPON RETURN SAID THAT THE MPLA WANTS TO DIVIDE THE DISCUSSIONS INTO TWO PARTS: PAYMENTS AND THEN A NEW AGREEMENT. GULF WILL TELL FMG THAT THE TWO ARE INSEPARABLE. GULF PREFERS NOT TO CALL ITS DEALINGS WITH THE NIGERIANS NEGOTIATIONS, BUT PREFERS THE WORD "DISCUSSIONS." THE COMPANY IS CONCERNED THAT TO NEGOTIATE AT A TIME WHEN THE USG STILL MAINTAINS ITS OPPOSITION TO A UNILATERAL TAKEOVER OF THE COUNTRY BY THE MPLA WOULD BE TANTAMOUNT TO THWARTING THE WILL OF THE AMERICAN GOVERNMENT.

6. AS A MATTER OF INTEREST, GULF HAS ESTABLISHED A
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SEPARATE ACCOUNT IN THE UNITED STATES IN WHICH IT HAS DEPOSITED AT LEAST SOME OF THE MONIES DUE THE ANGOLAN GOVERNMENT. IT IS NOT AN ESCROW ACCOUNT, BUT RATHER AN ACCOUNT IN GULF'S NAME EARMARKED FOR THE ANGOLAN GOVERNMENT. INGERSOLL

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